

News From U.S. Senator

North Dakota

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FOR IMMEDIATE RELEASE

Tuesday

June 20, 2000

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Public Citizen report is "valuable contribution" to debate:

DORGAN SAYS REPORT UNMASKS ORGANIZATION CLAIMING TO BE CITIZENS GROUP AS "INDUSTRY FRONT"

(WASHINGTON, D.C.) — U.S. Senator Byron Dorgan (D-ND) said Tuesday a report issued by the public interest group "Public Citizen" makes clear an organization calling itself "Citizens for Better Medicare" and running millions of dollars in radio and television advertising is a "front group" for the nation's pharmaceutical industry.

"This report is a valuable contribution to the public debate," Dorgan said. "It is important information the public ought to have, and has a right to know. It makes clear that 'Citizens for Better Medicare' is not a group of citizens, it's an industry front group. Its goal is not better Medicare, but to protect high prescription medicine prices, even as the industry's profits have become what the Wall Street Journal describes as the envy of the corporate world."

"I think we ought to have an honest debate," Dorgan added. "This study makes a very valuable contribution to that effort by removing the mask behind which this industry is hiding."

The group's ads have been broadcast in North Dakota and a number of other northern tier states, where some citizens go to Canada to buy their prescription medicine at less cost. They have also been broadcast on stations in the Washington, D.C. area. The group is preparing to launch a new series of ads in nearly two dozen more markets nationwide.

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The ads ask people to write or call their congressional representatives to oppose legislation that would help lower the cost of prescription medicines. Dorgan is the chief sponsor of one of those proposals. It would allow U.S. pharmacists and other prescription drug distributors to import medicines from Canada and other countries for sale in the United States, if those drugs are approved for sale in the U. S. and manufactured under federal Food and Drug Administration (FDA) supervision . Another plan the industry group wants to block would help lower drug prices by adding a prescription drug benefit to Medicare. That would make prescription drugs more affordable for senior citizens and also help lower prices for everybody.

“I think Americans have a right to ask why we are charged two, three and ten times as much for the same medicines as they charge people in Canada and other countries,” Dorgan said. “Instead of an honest response to those questions, instead of engaging in an honest debate, the pharmaceutical industry has responded with TV and radio ads that are a cynical and deliberate attempt to mold public opinion with misinformation,” Dorgan said.

A fact sheet, which responds to the ads – point by point – accompanies this release.

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-- FACT SHEET --

5/1/00

U.S. Senator Byron Dorgan (D-ND) released the following point by point response to TV and radio ads aired in North Dakota by a national group of pharmaceutical manufacturers calling itself “Citizens for Better Medicare.”

The text of the ad follows:

We’ve all heard of seniors going to Canada for their medicines. But have you heard about the seniors who come from Canada to the US? Because Canadians say their government controlled health system is in crisis. They wait longer for new cures Seniors are too often switched to cheaper, less effective medicines. Yet some politicians want to import Canada’s government controls to America. Help Congress. Say “No, thanks.”

Dorgan’s refutation follows:

- **CLAIM #1:** “...But have you heard about the seniors who come from Canada to the U.S.? Because Canadians say their government controlled system is in crisis.”

FACT: The journal *Health Affairs* says only a small number of Canadians come to the U.S. to seek health care. It describes the number of Canadians who do as “a tip without an iceberg.” According to this report, most Canadians who obtain health care in the U.S. are “snow birds” who come to spend the winter months in the U.S. and get sick or injured here. The others mostly come here for speciality care or experimental treatment in clinical trials that are not available in Canada. They come here for different options, not because the lines for the same service in Canada are too long.

- **CLAIM #2:** “They wait longer for new cures.”

FACT: If Canadians have delayed access to new drugs, it is not because they must depend on Canadian-only companies doing Canadian-based research. That’s not the way today’s

transnational drug industry works.

- In today's market, the pharmaceutical companies that make new medicines are multinational. The research and clinical studies to get regulatory approval can be conducted in several different countries where the drug companies have a presence, or they may find it cheaper to out-source the work to a "Contract Research Organization".
- A lot of path-breaking medical research is done in the United States. U.S. taxpayers now fund over \$15 billion in medical research at NIH. In fact, this taxpayer-funded research is often the basis for the new patented and profit-making drugs later sold by private drug companies, who market these drugs in the US and in many other countries. This path-breaking research will not be lessened by the actions of Congress-- quite the opposite many in Congress are committed to doubling the NIH research budget over the next several years.

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Page -2-

- Drug companies also pay for research, but not all of this work is devoted to finding new cures. A 1997 industry source said that, based on industry standards, less than 30 percent of R&D expenditures is typically allocated to research that leads to the discovery of new medicines.

- CLAIM #3: "[Canadian] Senior Seniors are too often switched to cheaper, less effective medicines."

FACT: Inappropriate switching of medications is a problem hardly unique to Canada. It is a major concern in the United States among both public and privately-insured patients. Many doctors and patients in managed care plans in the U.S. have complained about this problem. That is why some in Congress have proposed a Patients' Bill of Rights, to ensure that patients have access to the medicines their doctors prescribe.

- CLAIM #4: "Some politicians want to import Canada's government controls to America."

FACT: The bills targeted by these ads want to put market competition – not price controls – to work for the American consumer. Legislation that would allow the importation of prescription medicines (S.1191/ HR 1885) merely proposes that American consumers get the benefit of a global economy. Drugs imported to the U.S. at a lower price would be able to compete against the drugs priced higher in the U.S. by manufacturers. Under a Medicare prescription drug benefit, drug manufacturers would be required to negotiate competitive prices with a private entity, much as many health insurance plans now ask health care providers to do.

- CLAIM #5: "FDA experts oppose the bill."

FACT: The FDA has taken no position on the bills. The Clinton Administration supports adding prescription drug coverage to Medicare.

- CLAIM #5: The ads say they are paid for by "Citizens for Better Medicare."

FACT:

The ads are paid for by a collection of some of the biggest pharmaceutical corporations in America. According to *SCRIP Magazine*, a drug industry trade journal, “Citizens for Better Medicare” was formed by the Pharmaceutical Research and Manufacturers of America (PhRMA), the largest drug industry association in the United States. Other major members include:

- S National Association of Manufacturers
- S Healthcare Leadership Council (a lobbying group representing large pharmaceutical, insurance companies, and other corporations.)
- S Healthcare Marketing and Communications Council (drug advertising and product promotions group)
- S a number of conservative – not mainstream – senior lobbying groups.

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